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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 001726

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DEPT FOR EAP, EAP/MTS, EB

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TAGS: [PGOV](#) [ECON](#) [KCOR](#) [SOCI](#) [RP](#)

SUBJECT: MAJOR ANTI-CORRUPTION CASES MOVE FORWARD, SLOWLY

REF: A. MANILA 141

[1](#)B. MANILA 1342

Classified By: Pol/C Scott Bellard for reasons 1.4(b)
and (d)

[1](#)1. (C) Summary: The criminal trial on corruption charges of former Comptroller of the Armed Forces of the Philippines (AFP) Major General Carlos Garcia will begin on April 25. The court has issued warrants for the arrest of Garcia's wife and three sons, but they remain in hiding. Despite Garcia's conviction in a military court martial charges in December 2005, AFP Chief of Staff Senga has not yet affirmed the ruling, nor sent it to President Arroyo for final approval or pardon. In recent testimony, former president Joseph Estrada vehemently denied all charges in his long-running corruption trial. Guilty verdicts would send a strong positive signal against corruption, but public expectations are limited that the courts will come down hard on either defendant, at least any time soon. End Summary.

Garcia Trial

[1](#)2. (U) Criminal proceedings against retired Major General Carlos Garcia should begin on April 25 in the Sandiganbayan, the Philippines' anti-graft court, after it denied Garcia's motion to quash his case due to various technicalities on April 16. Garcia faces charges of plunder for stealing millions while he was AFP Comptroller as well as four perjury charges. On March 9, prosecutors issued arrest warrants for Garcia and also for his wife and three sons for their alleged involvement in concealing ill-gotten wealth. Garcia is already behind bars at Camp Crame but his family remains at large; the family members are unlikely turn up for the April 25 arraignment. The GRP has discovered 41 bank accounts in the names of Garcia, his wife, and children, as well as numerous vehicle and property titles both in the Philippines and in the U.S.

AFP Still Reviewing Court Martial

[1](#)3. (C) Despite Garcia's December 2005 conviction in a military court martial, AFP Chief of Staff Generoso Senga has not yet affirmed or quashed the ruling, as he is formally required to do within a "reasonable timeframe," according to the AFP's Office of the Judge Advocate General (JAGO). Even after his expected signature, a Board of Military Review (appointed by JAGO) will next have to present the case file to President Arroyo for final approval or pardon. The

President's decision will be final. Gabriel Claudio, President Arroyo's chief political adviser, told Dep Pol/C that "stopping corruption was a high priority matter" to Malacanang, emphasizing that the President took Garcia's crimes "very seriously" and would not issue him a pardon "under any conditions."

Estrada Denies All

¶4. (U) Former president Joseph Estrada remains under house arrest as his almost five-year-old trial on corruption charges proceeds. Estrada finally took the stand in March (ref a); he testified again on his birthday, April 19, following a special mass that the Sandiganbayan had authorized. In front of Estrada and many of his political supporters, Bishop Antonio Tobias of Quezon City urged Estrada to move on and to forget about the possibility of a political comeback. Tobias went on to ask Estrada for "forgiveness" of the Catholic Church's role in his 2001 ouster.

¶5. (U) Estrada's final appearance on the stand should take place on April 26. Next steps will be for the prosecution and defense teams to conduct cross-examination of witnesses, with the possibility of new witnesses. Estrada remains defiant, vehemently maintaining his innocence. He has heatedly disputed the testimony of the prosecution's star witness, Ilocos Sur Governor Luis "Chavit" Singson, that Estrada had demanded and received payoffs from illegal gambling syndicates. Another charge against Estrada is for stealing tax money.

MANILA 00001726 002 OF 002

Comment

¶6. (C) Guilty verdicts in both of these high profile cases would send a powerful signal that there is no immunity from punishment, even at high levels, for corrupt activities. The Philippine legal system nonetheless enables defense lawyers to drag cases out for years, while failure to use continuous trials limits the pace of judicial review. Although Estrada's personal testimony somewhat revived lagging public interest in his trial, public expectations are probably limited that the courts will come down hard on either Estrada or Garcia, unfortunately, at least any time soon.

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